



# **Financial Statements**

For the year ended December 31, 2024

**Ottawa Community Land Trust**  
**Financial Statements**  
For the year ended December 31, 2024

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## **Independent Auditor's Report**

### **To the Members of the Ottawa Community Land Trust**

#### *Opinion*

We have audited the financial statements of the Ottawa Community Land Trust, which comprise the statement of financial position as at December 31, 2024, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-profit Organizations.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Matter*

The financial statements of the Ottawa Community Land Trust for the year ended December 31, 2023, were not audited. Instead, they were reviewed and an unmodified conclusion was provided on May 10, 2024. We were not engaged to provide an audit opinion on the corresponding information, and as such, it remains unaudited.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Baker Tilly Ottawa LLP*

Chartered Professional Accountants, Licensed Public Accountants  
April 28, 2025  
Ottawa, Ontario

# Ottawa Community Land Trust Statement of Financial Position

<b>December 31</b>	<b>2024</b>	<b>2023</b>
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## Assets

### Current

Cash (Note 2)	\$ 1,855,909	\$ 211,446
Accounts receivable	2,739	-
HST receivable	26,493	26,006
	<u>1,885,141</u>	<u>237,452</u>

<b>Tangible capital assets (Note 3)</b>	<b>3,459,791</b>	<b>1,500,676</b>
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	<b>\$ 5,344,932</b>	<b>\$ 1,738,128</b>
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## Liabilities and Net Assets

### Current

Accounts payable and accrued liabilities	\$ 74,371	\$ 19,015
Demand loans (Note 4)	1,417,193	971,384
Deferred contributions (Note 5)	-	210,837
Prepaid rent and rent deposits	14,444	3,393
	<u>1,506,008</u>	<u>1,204,629</u>

<b>Bonds payable (Note 6)</b>	<b>2,931,035</b>	<b>-</b>
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<b>Deferred contributions related to tangible capital assets (Note 7)</b>	<b>862,171</b>	<b>485,595</b>
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	<b>5,299,214</b>	<b>1,690,224</b>
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### Net assets

Internally Restricted - Operating Reserve	6,244	3,000
Net assets - unrestricted	39,474	44,904
	<u>45,718</u>	<u>47,904</u>

	<b>\$ 5,344,932</b>	<b>\$ 1,738,128</b>
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Approved on behalf of the board:

_____ Director	_____ Director
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## Ottawa Community Land Trust Statement of Changes in Net Assets

For the year ended December 31, 2024	Internally Restricted - Operating Reserve	Unrestricted	Total Net Assets
Balance, January 1, 2024	\$ 3,000	\$ 44,904	\$ 47,904
Deficiency of revenues over expenditures for the year	-	(2,186)	(2,186)
Transfer to internally restricted - operating reserve	3,244	(3,244)	-
<b>Balance, December 31, 2024</b>	<b>\$ 6,244</b>	<b>\$ 39,474</b>	<b>\$ 45,718</b>
Balance, January 1, 2023	\$ -	\$ 45,157	\$ 45,157
Excess of revenues over expenditures for the year	-	2,747	2,747
Transfer to internally restricted - operating reserve	3,000	(3,000)	-
<b>Balance, December 31, 2023</b>	<b>\$ 3,000</b>	<b>\$ 44,904</b>	<b>\$ 47,904</b>

## Ottawa Community Land Trust Statement of Operations

For the year ended December 31	2024	2023
<b>Revenues</b>		
Canada Mortgage and Housing Corporation (Note 5)	\$ 77,938	\$ 89,682
Community Services Recovery Fund (Note 5)	40,990	54,650
Community Housing Transformation Centre - Sector Transformation OCLT	-	22,500
Community Housing Transformation Centre - LeBreton	-	15,000
Tapestry Community Capital (Note 5)	53,500	-
Matthew House Ottawa (Note 5)	10,000	4,000
Catherine Donnelly Foundation	35,100	-
City of Ottawa (Note 7)	19,840	4,000
Gifts (Notes 5 and 7)	234,493	24,496
Rental	105,802	17,932
Membership fees	3,694	2,550
Interest	3,549	197
	<b>584,906</b>	<b>235,007</b>
<b>Expenditures</b>		
Administrative fees	3,196	431
Amortization of tangible capital assets	63,007	11,899
Bank charges	648	246
Computer and information technology services	12,017	8,470
Consultant fees	78,535	107,004
Financing (Notes 4 and 6)	27,700	5,895
Insurance	11,286	3,639
Interest on demand loans (Note 4)	83,946	21,588
Interest on bonds (Note 6)	34,650	-
Marketing	4,142	114
Office	7,590	880
Professional fees	30,820	12,429
Property expenses	55,434	7,046
Salaries and benefits	172,010	51,962
Travel	2,111	657
	<b>587,092</b>	<b>232,260</b>
<b>Excess (deficiency) of revenues over expenditures for the year</b>	<b>\$ (2,186)</b>	<b>\$ 2,747</b>

## Ottawa Community Land Trust Statement of Cash Flows

For the year ended December 31	2024	2023
<b>Cash flows from (used in) operating activities</b>		
Excess (deficiency) of revenues over expenditures for the year	\$ (2,186)	\$ 2,747
Adjustments for non-cash items		
Amortization of tangible capital assets	63,007	11,899
Amortization of deferred contributions related to tangible capital assets	(23,424)	(4,905)
Amortization of financing costs	27,700	5,895
Interest reserve on demand loan recognized	59,181	20,325
Accrued interest on Bond Series A	2,864	-
	<u>127,142</u>	<u>35,961</u>
Change in non-cash working capital items		
Accounts receivable	(2,739)	-
HST receivable	(487)	(13,590)
Accounts payable and accrued liabilities	55,356	(451)
Deferred contributions	(210,837)	177,217
Prepaid rent and rent deposits	11,051	3,393
	<u>(20,514)</u>	<u>202,530</u>
<b>Cash flows used in investing activity</b>		
Purchase of tangible capital assets	<u>(2,022,122)</u>	<u>(1,512,575)</u>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from bond campaign	3,000,000	-
Advance of demand loan	1,406,399	968,744
Repayment of demand loan	(1,022,149)	-
Funds received for the purchase of tangible capital assets	400,000	490,500
Financing costs for demand loan	(20,243)	(23,580)
Financing costs for bond campaign	(76,908)	-
	<u>3,687,099</u>	<u>1,435,664</u>
<b>Increase in cash during the year</b>	<b>1,644,463</b>	<b>125,619</b>
<b>Cash, beginning of year</b>	<u><b>211,446</b></u>	<u><b>85,827</b></u>
<b>Cash, end of year</b>	<b>\$ 1,855,909</b>	<b>\$ 211,446</b>



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# Ottawa Community Land Trust

## Notes to the Financial Statements

December 31, 2024

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### 1. Significant Accounting Policies

**Nature of Organization** The Ottawa Community Land Trust (the "Organization") was incorporated under the Canada Not-for-profit Corporations Act on January 7, 2021. The Organization is not subject to either federal or provincial income taxes on its not-for-profit activities.

The purpose of Ottawa Community Land Trust is to work with the public and private sectors to maintain and create affordable housing in the Ottawa area.

**Basis of Presentation** These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.

**Use of Estimates** The preparation of financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

Significant estimates include assumptions used in estimating: the collectibility of accounts receivable; the useful lives and amortization rates of tangible capital assets; and accruals for certain liabilities.

**Financial Instruments** Financial instruments are financial assets or liabilities of the Organization where, in general, the Organization has the right to receive cash or another financial asset from another party or the Organization has the obligation to pay another party cash or other financial assets.

#### Measurement of arm's length financial instruments

The Organization initially measures its arm's length financial assets and liabilities at fair value.

The Organization subsequently measures its arm's length financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active

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# Ottawa Community Land Trust

## Notes to the Financial Statements

December 31, 2024

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### 1. Significant Accounting Policies (continued)

#### Financial Instruments (continued)

##### Measurement of arm's length financial instruments (continued)

market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses.

Arm's length financial assets and financial liabilities measured at amortized cost include cash, accounts payable and accrued liabilities, bonds payable, and demand loan. There are no financial assets or financial liabilities measured at fair value.

##### Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that would have been reported as a reduction in the asset and it does not exceed the original cost. The amount of the reversal is recognized in excess of revenue over expenses.

##### Transaction costs

The Organization recognizes its transaction costs in excess of revenue over expenses in the period incurred. However, arm's length financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

#### Tangible Capital Assets

Tangible capital assets acquired are recorded at acquisition cost. When a tangible capital asset no longer has any long-term potential to the Organization, the write-down, being the excess of its net carrying amount over any residual value, is charged to operations as an expense. A write-down is not reversed in subsequent years.

Tangible capital assets are amortized over their estimated useful lives as follows:

Furniture and fixtures	Declining balance	20%
Buildings	Declining balance	4%

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# Ottawa Community Land Trust

## Notes to the Financial Statements

December 31, 2024

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### 1. Significant Accounting Policies (continued)

**Impairment of Long-Lived Assets** A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. Any impairment results in a write-down of the asset and a charge to income during the year. An impairment loss is not reversed if the fair value of the related long-lived asset subsequently increases.

**Net Assets Internally Restricted for Operating Reserve** Net assets have been internally restricted by the Board of Directors for future operating requirements. Any uses must be approved by the Board of Directors.

**Revenue Recognition** The Organization follows the deferral method of accounting for revenues. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

Rental revenues on operating leases are recognized in the period in which they are earned.

Membership dues are recognized in the year to which they pertain.

Government and other grants related to tangible capital assets are accounted for as deferred government assistance and amortized on the same basis as the related tangible capital assets.

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### 2. Cash

Cash includes funds held at two Canadian financial institutions. One of the bank accounts earns interest at a rate of 1.50%.

At December 31, 2024, cash also includes \$75,000 held in trust with the Organization's lawyer.

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## Ottawa Community Land Trust Notes to the Financial Statements

**December 31, 2024**

### 3. Tangible Capital Assets

	December 31, 2024		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 743,989	\$ -	\$ 743,989
Buildings	2,788,973	74,907	2,714,066
Furniture and fixtures	1,736	-	1,736
	<b>\$ 3,534,698</b>	<b>\$ 74,907</b>	<b>\$ 3,459,791</b>
Land consists of:			
Land - 887 Kirkwood	\$ 322,655	\$ -	\$ 322,655
Land - 366 Brant	421,334	-	421,334
	<b>\$ 743,989</b>	<b>\$ -</b>	<b>\$ 743,989</b>
Buildings consists of:			
Building - 887 Kirkwood	\$ 1,189,920	\$ 59,020	\$ 1,130,900
Building Improvements - 887 Kirkwood	36,772	368	36,404
Building - 366 Brant	1,546,635	15,466	1,531,169
Building Improvements - 366 Brant	15,646	53	15,593
	<b>\$ 2,788,973</b>	<b>\$ 74,907</b>	<b>\$ 2,714,066</b>
	December 31, 2023		
	Cost	Accumulated Amortization	Net Book Value
Land - 887 Kirkwood	\$ 322,655	\$ -	\$ 322,655
Buildings - 887 Kirkwood	1,189,920	11,899	1,178,021
	<b>\$ 1,512,575</b>	<b>\$ 11,899</b>	<b>\$ 1,500,676</b>

# Ottawa Community Land Trust Notes to the Financial Statements

**December 31, 2024**

## 4. Demand Loans

	2024	2023
Vancity Community Investment Bank, interest is payable monthly at the bank's prime rate plus 1.25% (at a minimum of 8.45%), due September 2024	\$ -	\$ 1,022,149
Vancity Community Investment Bank, interest is payable monthly at the bank's prime rate plus 1.25% (at a minimum of 7.70%), due September 2025	1,432,500	-
Interest reserve remaining	-	(33,080)
Deferred financing costs	(15,307)	(17,685)
	<b>\$ 1,417,193</b>	<b>\$ 971,384</b>

The lender withheld \$26,101 upon commencement of the loan as a reserve to cover monthly interest. As of year end, the balance remaining to be applied against interest charges was \$nil.

Financing costs of \$20,243 were incurred to obtain the new loan in 2024. These costs have been capitalized and will be charged to expenses over the term of the loan. In the current year, deferred financing costs of \$22,621 have been expensed.

This loan is secured by the new 366 Brant property, a general security agreement, and an assignment of rents from the new 366 Brant property. This loan ranks above the bonds payable in terms of seniority.

## 5. Deferred Contributions

	Balance, beginning of year	Received	Recognized	Balance, end of year
Canada Mortgage and Housing Corporation	\$ 18,938	\$ 59,000	\$ (77,938)	\$ -
Community Services Recovery Fund	40,990	-	(40,990)	-
Matthew House Ottawa	10,000	-	(10,000)	-
Gift	140,909	91,300	(232,209)	-
Tapestry Community Capital	-	53,500	(53,500)	-
	<b>\$ 210,837</b>	<b>\$ 203,800</b>	<b>\$ (414,637)</b>	<b>\$ -</b>

# Ottawa Community Land Trust Notes to the Financial Statements

**December 31, 2024**

## 6. Bonds Payable

During the year, the Organization launched a Housing Forever Bond Campaign. The proceeds from this campaign were used to repay debt related to a previously acquired property as well as to acquire an additional property.

	Maturity year	Interest rate	2024	2023
Bond Series A - 3 year term, interest payable at maturity - accrued interest	2027	3.50% per annum	\$ 235,500 2,864	\$ - -
Bond Series B - 5 year term, interest payable annually	2029	4.00% per annum	1,112,500	-
Bond Series C - 7 year term, interest payable annually	2031	4.50% per annum	1,650,000	-
Bond Series D - 3 year term, non-interest bearing	2027	0.00% per annum	2,000	-
Deferred financing costs			(71,829)	-
Long-term portion			<b>\$ 2,931,035</b>	<b>\$ -</b>

Financing costs of \$76,908 were incurred to issue the bonds. These costs have been capitalized and will be charged to expenses over the term of the bonds. In the current year, deferred financing costs of \$5,079 have been expensed.

All series of bonds rank equally to each other, but rank subordinate to all commercial lenders and any vendor take-back mortgages. The bonds are secured by all real property held by the Organization.

The Organization has the option to prepay the bonds in whole or in part, at any time, without penalty. Bondholders may not transfer or assign the bonds without the prior written approval of the Organization's Board of Directors. Early redemption is generally not permitted, but is available in extraordinary circumstances with the approval of the Organization's Board of Directors.

Estimated principal repayments are as follows:

2027	\$ 237,500
2029	\$ 1,112,500
2031	\$ 1,650,000

Bonds payable includes \$30,500 held by related parties.

# Ottawa Community Land Trust Notes to the Financial Statements

**December 31, 2024**

## 7. Deferred Contributions Related to Tangible Capital Assets

During the year, the Organization received the amounts below which are required to be used for the purchase of properties. As a result, the amounts are deferred and will be brought into revenue using the same rate of amortization on the properties.

	Balance, beginning of year	Received	Recognized	Balance, end of year
City of Ottawa	\$ 396,000	\$ 400,000	\$ (19,840)	\$ 776,160
Gift	89,595	-	(3,584)	86,011
	<u>\$ 485,595</u>	<u>\$ 400,000</u>	<u>\$ (23,424)</u>	<u>\$ 862,171</u>

## 8. Financial Instruments

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations as at December 31, 2024.

### Liquidity risk

Liquidity risk is the risk the Organization may not be able to meet its obligations. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, demand loans, and bonds payable.

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is exposed to interest rate risk.

### Interest rate risk

The Organization is exposed to interest rate risk on its fixed and variable interest rate financial instruments. Fixed interest instruments subject the Organization to a fair value risk since fair value fluctuates inversely to changes in market interest rates. Variable rate instruments subject the Organization to a related cash flow risk. The bonds payable as set out in note 6 have fixed rates of interest and as such subject the Organization to fair value risk. The demand loans as set out in note 4 have variable rates of interest and as such subject the Organization to cash flow risk.

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## Ottawa Community Land Trust Notes to the Financial Statements

December 31, 2024

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### 8. Financial Instruments (continued)

#### Changes in risk

The Organization's liquidity risk and interest rate risk have both increased as a result of the new bonds payable and the significant increase in the demand loans.

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